

Health Club Registration
Bureau of Consumer Protection
15th Floor, Strawberry Square
Harrisburg, PA 17120

Dear Health Club Owner:

The Pennsylvania Health Club Act ("HCA") went into effect on June 20, 1990. The HCA requires many health clubs to meet certain financial security requirements and to use contracts which contain specific notices and provisions. The law requires all health clubs to employ persons certified to administer CPR.

To assist you in understanding and complying with this new law, we are enclosing the following: a copy of the Health Club Act, a Registration Application with an Instruction Sheet and Filing Checklist; a Certificate of Compliance; a Certificate of Exemption; and, samples of an acceptable bond and letter of credit.

Your health club is subject to the registration requirements of the HCA if members enter into any contracts, agreements, or promissory notes in which they pay or agree to pay for health club services for a period of more than three (3) months ("health club" and "health club contracts" are defined in Section 2 of the HCA). This means that a health club is not permitted to enter into or renew contracts, or take money for more than three (3) months unless the club first registers with the Bureau of Consumer Protection. In registering your club, you will be asked to file and maintain proof that you have obtained a bond or letter of credit or are exempt from obtaining such security and that your health club contracts comply with the HCA.

A health club may be exempt from filing and maintaining a bond or letter of credit if the club meets all of the requirements of Section 13 of the HCA. Briefly, an exempt club may not enter contracts for health club services for a term exceeding twelve (12) months; all payments must be made in equal monthly installments; the amount a club may charge as an initiation fee is limited; and the health club contract must contain a notice terminating a member's obligation to pay if the health club goes out of business without providing comparable services within ten (10) miles (see Section 13 of the HCA). As in other business transactions, installment payments may be made by cash, electronic fund transfer or other automatic debt mechanism. Although the exempt club does not have to post a bond or letter of credit, the club still must register with the Bureau and its health club contracts must comply with all other provisions of the HCA.

Clubs must register at least thirty (30) days before they advertise or sell health club contracts. Failure to comply with the HCA will subject a health club to criminal prosecution on a misdemeanor charge and civil prosecution under the Unfair Trade Practices and Consumer Protection Law (see Section 15 of the HCA). After the initial registration, failure of a health club to maintain a bond will result in the club being unable to write any further health club contracts. Failure to maintain a letter of credit will result in the letter of credit being called in its full amount.

This letter and the enclosed materials are being provided in order to promote industry-wide compliance with the HCA. Please read the HCA and the instruction sheet carefully. If you have any questions, you should contact your attorney or any trade association of which you are a member.

Sincerely yours,

David Sumner
Senior Deputy Attorney General
Health Club Administrator
Bureau of Consumer Protection

Enclosures

Health Club Registration Section
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